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Environmental Quality

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DIVISION OF WATER QUALITY  
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Director

C/O 5/032 Incoming  
R

May 12, 2010

Mr. David Hibbs, President  
UtahAmerican Energy, Inc.  
Genwal Resources, Inc.  
P.O. Box 910  
East Carbon, UT 84520-0910

Subject: Inspection Reports – UPDES Permit No. UT0024368 (Crandall Canyon Mine)

Dear Mr. Hibbs:

On May 5, 2010 I conducted Reconnaissance and Compliance Sampling Inspections in regards to your UPDES permit referenced above. Specifically I observed the iron treatment facility, outfalls, discharge and receiving waters of Crandall Creek, which as you know has been discolored to an orange or rust-like appearance, but appears to be somewhat improved from previous inspections. Samples were collected from Outfall 002 upon treatment of the recently constructed iron treatment facility, as well as from Crandall Creek itself for compliance with State Water Quality Standards.

Enclosed are copies of the inspection reports for your records. Please review the reports, particularly the narrative section and contact me with any questions. I appreciate Mr. Shaver's continued efforts to keep me informed of the operations. If you have any questions, please contact me at (801) 536-4395 or by e-mail at [jstudenka@utah.gov](mailto:jstudenka@utah.gov).

Sincerely,

Jeff Studenka, Environmental Scientist  
UPDES IES Section

Enclosures

cc (w/encl): Amy Clark, EPA Region VIII  
Claron Bjork, SE District Health Department  
Dave Ariotti, SE District Engineer  
Daron Haddock, Division of Oil Gas & Mines  
Dave Shaver, West Ridge Mine  
Dale Harber, US Forest Service

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DIV. OF OIL, GAS & MINING

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United States Environmental Protection Agency  
Washington, D.C. 20460

## Water Compliance Inspection Report

### Section A: National Data System Coding (i.e., ICIS)

Transaction Code [N] [ ]	NPDES [U][T][0][0][2][4][3][6][8]	yr/mo/day [1][0][0][5][0][5]	Inspection Type [R]	Inspector [S]	Fac. Type [2]
1	2	3	11	12	17
Remarks					
21					
66					
Inspection Work Days [2] [ ]	Facility Self-Monitoring Evaluation Rating [4]	BI [D]	QA [N]	Reserved	
67	69	70	71	72	80

### Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number) Crandall Canyon Mine (a.k.a. Genwal Resources, Inc.) UtahAmerican Energy, Inc. ~1.5 miles up Crandall Canyon off Hwy. 31 in Huntington Canyon NW of Huntington, UT	Entry Time/ Date 9:55 am/5-5-2010	Permit Effective Date 12-1-2005
	Exit Time/ Date 12:30 pm/5-5-2010	Permit Expiration Date 11-30-2010
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) Dave Shaver, Resident Agent 435-888-4017 Dana Marrelli, Facility Representative 435-888-4026 Karla Knoop, Consultant 801-943-4144	Other Facility Data (e.g., SIC NAICS, and other descriptive information) Bituminous Coal Underground Mining Facility SIC Code 1222 NAICS 212112  SEE ATTACHED	
Name, Address of Responsible Official/Title/Phone and Fax Number David Hibbs, President & Dave Shaver, Resident Agent UtahAmerican Energy, Inc. P.O. Box 1077 Price, UT 84501 (435) 888-4008	<b>Contacted</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

### Section C: Areas Evaluated During Inspection (Check only those areas evaluated)

<input checked="" type="checkbox"/> Permit	<input checked="" type="checkbox"/> Self Monitoring Program	<input type="checkbox"/> Pretreatment	<input type="checkbox"/> MS4
<input checked="" type="checkbox"/> Records/Reports	<input type="checkbox"/> Compliance Schedule	<input type="checkbox"/> Pollution Prevention	
<input checked="" type="checkbox"/> Facility Site Review	<input type="checkbox"/> Laboratory	<input type="checkbox"/> Storm Water	
<input checked="" type="checkbox"/> Effluent/Receiving Waters	<input checked="" type="checkbox"/> Operations & Maintenance	<input type="checkbox"/> Combined Sewer Overflow	
<input checked="" type="checkbox"/> Flow Measurement	<input type="checkbox"/> Sludge Handling/Disposal	<input type="checkbox"/> Sanitary Sewer Overflow	

### Section D: Summary of Findings/Comments

(Attach additional sheets of narrative and checklists, including Single Event Violation codes, as necessary)

SEV Codes	SEV Description
[ ][ ][ ][ ][ ]	
[ ][ ][ ][ ][ ]	
[ ][ ][ ][ ][ ]	
[ ][ ][ ][ ][ ]	

Name(s) and Signature(s) of Inspector(s) JEFF STUDENKA, ENVIRONMENTAL SCIENTIST <i>Jeff Studenka</i>	Agency/Office/Phone and Fax Number(s) DWQ (801) 536-4395	Date: 5-12-2010
N/A		
Name and Signature of Management Q A Reviewer MIKE HERKIMER, MANAGER UPDES IES SECTION <i>Mike Herkimer</i>	Agency/Office/Phone and Fax Number(s) DWQ (801) 536-4300	Date: 5/17/10

## **INSPECTION PROTOCOL**

UPDES Permit #: UT0024368 – Genwal Resources Crandall Canyon Mine  
Inspection Type: Reconnaissance Inspection + Compliance Sampling Inspection  
Inspection Date: May 5, 2010  
Weather Conditions: Sunny and mild ~ 50 °F

Jeff Studenka of the Division of Water Quality (DWQ) visited the UtahAmerican Energy, Inc., Crandall Canyon Mine Facility (a.k.a. Genwal Resources, Inc.) in coordination with representatives from DOGM, USFS and the facility. The purpose for the site visit was to perform reconnaissance and compliance sampling inspections as a result of previous elevated total iron concentrations in the mine water discharge as noted from previous inspections. A new treatment system has recently been completed and is in successful operation to treat and settle out the total iron particulates prior to final effluent discharges via Outfall 002.

## **FACILITY DESCRIPTION**

Location: Within Manti-LaSal National Forest, approximately 1.5 miles up Crandall Canyon, off Hwy 31 in Huntington Canyon, ~12 miles northwest of Huntington, Utah.

Coordinates: Outfall 001 – 39° 27' 38" latitude, -111° 09' 38" longitude  
Outfall 002 – 39° 27' 38" latitude, -111° 09' 59" longitude

Average Flow: ~ 0.6 to 0.75 MGD (Outfall 002)

Receiving waters: Crandall Creek to Huntington Creek

Process: Former underground coal mining operation. Water from the inactive mine is gravity conveyed to below ground settling areas, where it is then piped out of the mine and then thru a recently installed oxidation unit, flocculant injection system and settling basin before discharging to the Crandall Creek culvert (Outfall 002). Surface water runoff is conveyed to an above ground settling pond with a discharge point (Outfall 001) to Crandall Creek.

## **INSPECTION SUMMARY**

The reconnaissance inspection of the mine site included observing the water collection, distribution and treatment systems, as well as the outfall locations and receiving waters of both Crandall & Huntington Creeks. At the time of the inspection, the sedimentation pond was nearly dry and had recently been cleaned out (outfall 001). A new mine water flow meter for outfall 002 was observed to be functioning properly with an effluent flow reading of 469 gpm, as displayed at the time of the inspection. Above the mine site, Crandall Creek was flowing very clear and steady at the upstream flume location. Below the mine site orange, rust-colored deposits were observed immediately adjacent to the Crandall Canyon culvert and Outfall 002 and continuing downstream towards Huntington Creek, although the discoloration appeared to be visually improved since the

last inspection photos (2-2-2010) at the outfall location itself and was also observed to be not as far down the stream channel itself. Green filamentous algae were observed to be thriving near the outfall location as well other aquatic wildlife. The iron treatment facility was observed to be functioning successfully with some pond clean out activities presently on-going. Four photos were collected and are attached hereto with a photo log.

For the compliance sampling inspection, DWQ collected a discharge compliance grab sample @ 10:30 am from Outfall 002 for total iron and total aluminum. An in stream water sample was also collected @ 10:15 am from Crandall Creek immediately down stream of the outfalls. The results will be compared to the May 2010 compliance samples as soon as both are available.

### **FINDINGS & DEFICIENCIES**

There were no additional deficiencies noted during the inspection. The previously cited Numeric Effluent Limitation violations for total iron has been corrected as the March 2010 sample for total iron was below the permit limit, indicating the iron treatment operations are functioning successfully, at least initially since March. At the time of the inspection, April 2010 compliance sample lab results were not yet available, however field tests indicate total iron concentrations have consistently remained below the UPDES permit limit of 1 mg/L. The previously cited Narrative Water Quality Standard violation for discoloration of the stream channel appears to be an on-going, improving situation and is therefore not being cited once again herein, although both State and Federal agencies will continue to closely monitor the stream channel for condition improvements and for potential impacts to any downstream aquatic wildlife.

### **REQUIREMENTS & RECOMMENDATIONS**

1. Continue treating the mine water for excessive total iron concentrations and keep DWQ informed of your efforts to keep the Genwal facility in full compliance with the provisions of your UPDES permit, as well as State Water Quality Standards, to avoid further enforcement.
2. Continue additional UPDES permit monitoring for dissolved iron and total aluminum and report all results to DWQ.
3. Continue regular visual monitoring of the entire stream channel for any impacts to fish and other wildlife and report any such impacts to DWQ and other agencies as appropriate.

### **ATTACHMENTS**

- 4 photos with photo log



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Washington, D.C. 20460

## Water Compliance Inspection Report

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General Granddall Canyon Mine RI+CSI (UT0024368) S-5-10

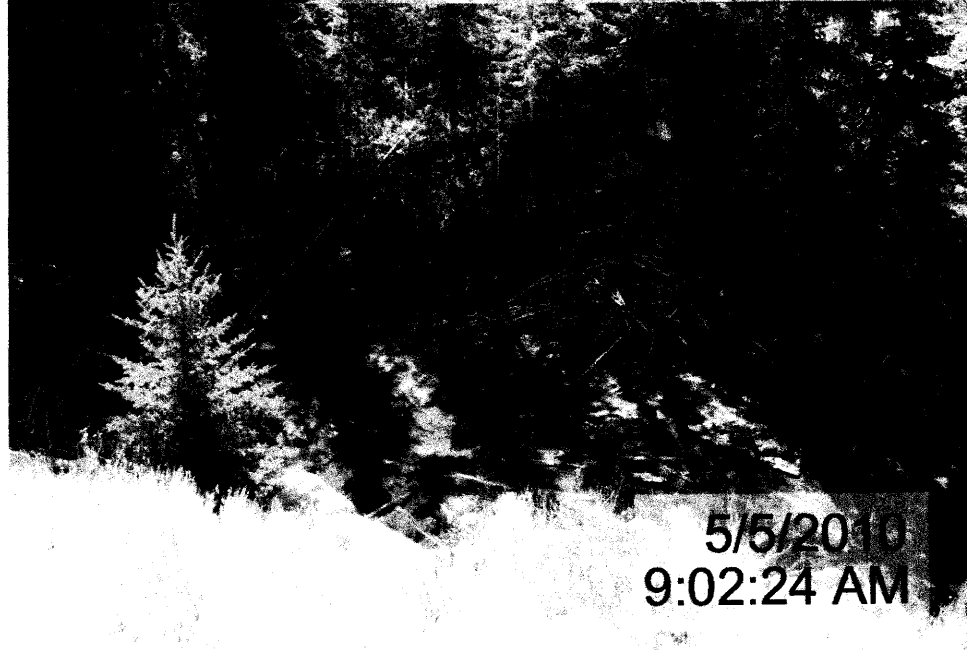
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Genwal - Crandall Canyon Mine (UT0024368)



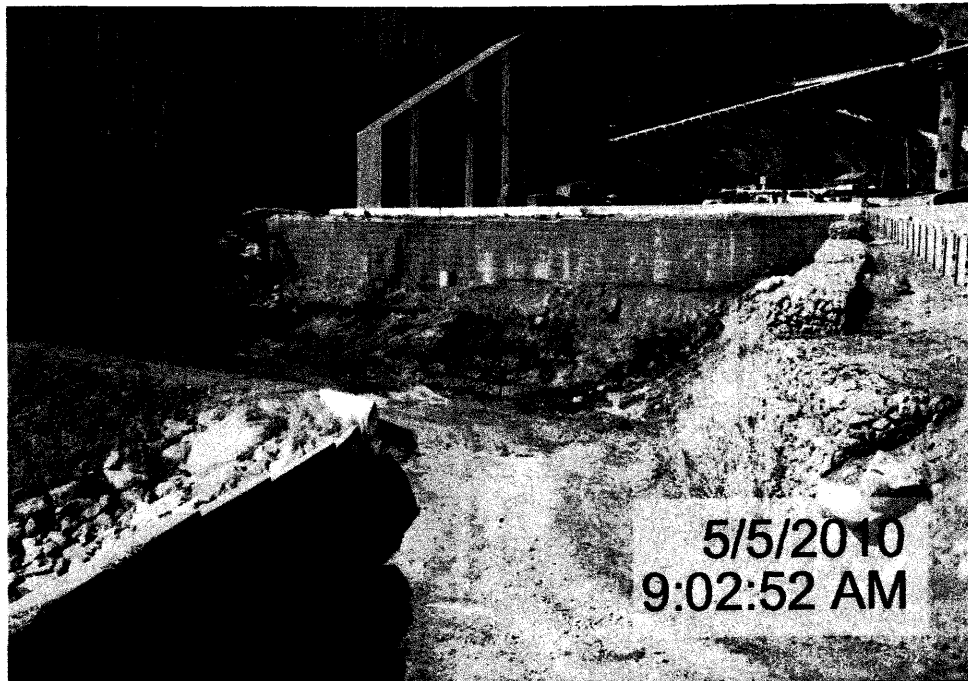
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